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The carryover at the start of the 1962-63 marketing year likely will be down for feed grains, wheat, and rice, but up for cotton and soybeans.

FEED GRAINS--The 85 million-ton carryover of feed grains at the beginning of the 1961-62 marketing year probably will be reduced by about 7 million tons at the close of the year....The high rate of disappearance in October-December points to heavy total use in 1961-62--probably exceeding last year's record level.

WHEAT--Some decline is expected in the wheat carryover on July 1, 1962, because of a reduction in 1961 output....Carryover last July was 1.4 billion bushels.

RICE--Large exports probably will reduce the rice carryover this August 1 to 6.5 million cwt.-down 3.6 million cwt. from last August.

COTTON--Beginning next marketing year, the cotton carryover is expected to be at least 700,000 bales larger than the 7.2 million carried over last August. Mill consumption is not increasing fast enough to offset declining exports, which are falling mainly because foreign free world countries are reducing their stocks.

SOYBEANS--Some 65 million bushels of soybeans are likely to be carried over to the 1962-63 marketing year...Only 5 million were carried over the previous year...Although domestic use and exports are likely to be substantially higher than in 1960-61, the 1961 soybean crop was up 25 percent.

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TOBACCO--Cuban tobacco imports, representing about a fourth of all tobacco used in U. S. cigars, were stopped by Presidential Proclamation February 7. Several manufacturers are starting to stretch existing stocks by combining them with increased amounts of other tobacco.

LIVESTOCK--More livestock on farms the first of this year than last points to increased red meat production in 1962. Responsible for the inventory gain was an increase in the calf crop, a sharp cutback in cow and calf slaughter, and increased imports of live cattle from Canada and Mexico. However, per capita beef consumption in 1962 is expected to be slightly below 1961 because of the increase in population.

Commercial cattle slaughter is expected to be up 3 to 4 percent this year over last, but beef production will likely increase less because of lighter average dressed-weight. Cattle prices are expected to hold relatively steady the first part of the year and by May will likely be substantially above year-earlier levels.

Prices of Choice steers at Chicago last year declined about \$6 from early January to mid-June. The price strength this year stems from more evenly distributed marketings of fed cattle and improved demand.

Pork production for 1962 is expected to be up about 3 percent from last year--enough to provide about a pound more of pork per person. Price of slaughter barrows and gilts is about \$1.50 under last year's price and is expected to continue below 1961 levels throughout the year.

DAIRY- Milk production in 1962 is expected to increase about 2 billion pounds over 1961. Most of the gain will be used in manufactured dairy products, particularly butter, cheese, and nonfat dry milk. Large commercial stocks at the beginning of the year indicate supplies of dairy products will be much larger than commercial demand.

EGGS--Egg production on February 1 was about the same as a year earlier. The rate of lay in January was adversely affected by extremely cold weather over most of the nation. In the next few months, egg output will move significantly above year-earlier levels; prices will probably be lower. In January, farmers received an average of 35.4 cents for a dozen eggs, about 3 cents below the same period in 1961.

BROILERS- Supplies of broilers during the first quarter of the year probably will be about the same as last year. Prices in mid-February in major Southern producing areas averaged around 15 to 16 cents a pound--about the same as a year earlier.

In the second quarter, broiler output will rise seasonally but is expected to average below levels of a year earlier. In the second quarter of 1961, record-high output triggered record-low prices. A recurrence does not seem likely in 1962.

TURKEYS--Frozen turkey stocks on hand February 1 were substantially larger than a year ago. These holdings likely will keep turkey prices significantly below 1961 for the next few months. Farmers in February received an average of 18.2 cents per pound compared with 25.4 cents a year earlier.

Producers plan to raise 12 percent fewer birds in 1962. Such a cutback would result in prices in the main marketing season above last year's extremely low level. But, because of large stocks, prices probably would still be below the 1957-59 relatively favorable levels of about 24 cents per pound.

WOOL--Moderate upward trend in world wool prices in late January and February likely will continue until late spring. This reflects an anticipated small increase in mill use and a relatively low stock position. Japan and the European countries were relatively large buyers at Australian auctions. French and U. S. buyers were active in South African markets.

